

EXHIBIT C

BANK OF AMERICA, N.A.
as Administrative Agent
100 Federal Street
Boston, Massachusetts 02110

December 6, 2024

JO-ANN STORES, LLC

5555 Darrow Road

Hudson, OH 44236

Attn: Jeffrey Dwyer, Chief Financial Officer

Re: Notice of Establishment of Reserve

Ladies and Gentlemen:

Reference is made to the Second Amended and Restated Credit Agreement dated as of April 30, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, the “Credit Agreement”) by and among (i) Jo-Ann Stores, LLC, an Ohio limited liability company (the “Borrower”), (ii) Joann Holdings 2, LLC, a Delaware limited liability company (“Parent”), (iii) Needle Holdings LLC, a Delaware limited liability company (“Holdings”), (iv) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for its own benefit and the benefit of the other Secured Parties referred to therein, (v) 1903P Loan Agent, LLC, as FILO Documentation Agent, and (vi) the lenders from time to time party thereto (each individually, a “Lender” and, collectively, the “Lenders”). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

Without limiting either of the Administrative Agent’s or the FILO Documentation Agent’s ability, each in their Permitted Discretion, to establish and modify Availability Reserves from time to time as provided under the definitions of “Availability Reserves”, “Borrowing Base” and “FILO Borrowing Base” as set forth in the Credit Agreement, the Administrative Agent hereby notifies the Borrower that the Administrative Agent has determined, in its Permitted Discretion, that it is necessary to establish and maintain an Availability Reserve in the amount of \$30,000,000 to reflect reasonably anticipated costs and liquidity requirements necessary to support the longer term restructuring of the liabilities and other obligations of Parent, Holdings, the Borrower and their respective Subsidiaries.

In accordance with the terms of the Credit Agreement, the foregoing Availability Reserve shall become effective three (3) Business Days after delivery of this written notice, which for the avoidance of doubt, shall be Wednesday, December 11, 2024. During such three (3) Business Day period, the Administrative Agent shall be available, if requested, to discuss the foregoing Availability Reserve with the Borrower; provided that during such three (3) Business Day period, Credit Extensions made under the Credit Agreement shall be subject to the Borrowing Base as if such Availability Reserve was given effect.

The Administrative Agent further notifies the Borrower that the establishment of the foregoing Availability Reserve shall not limit, restrict or impair the discretionary rights and ability of the Administrative Agent or the FILO Documentation Agent to establish any and all other Availability Reserves, or of the Administrative Agent to modify the foregoing Availability Reserve, in each case, as either may from time to time determine to be necessary in their Permitted Discretion, respectively, and otherwise in accordance with the terms of the Credit Agreement.

Nothing contained herein shall establish a custom or course of dealing or conduct among the Administrative Agent, the FILO Documentation Agent and any Lender, on the one hand, and the Borrower or any other Loan Party, on the other hand.

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Very truly yours,

BANK OF AMERICA, N.A.,
as Administrative Agent

By: 
Name: Scott Klebanoff
Title: Senior Vice President

cc: 1903P Loan Agent, LLC (attn: Kyle Shonak)

[Signature Page to Reserves Notice]

BANK OF AMERICA, N.A.
as Administrative Agent
100 Federal Street
Boston, Massachusetts 02110

December 17, 2024

JO-ANN STORES, LLC

5555 Darrow Road

Hudson, OH 44236

Attn: Jeffrey Dwyer, Chief Financial Officer

Re: Notice of Establishment of Reserve

Ladies and Gentlemen:

Reference is made to the Second Amended and Restated Credit Agreement dated as of April 30, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, the “Credit Agreement”) by and among (i) Jo-Ann Stores, LLC, an Ohio limited liability company (the “Borrower”), (ii) Joann Holdings 2, LLC, a Delaware limited liability company (“Parent”), (iii) Needle Holdings LLC, a Delaware limited liability company (“Holdings”), (iv) Bank of America, N.A., as administrative agent and collateral agent (in such capacities, the “Administrative Agent”) for its own benefit and the benefit of the other Secured Parties referred to therein, (v) 1903P Loan Agent, LLC, as FILO Documentation Agent, and (vi) the lenders from time to time party thereto (each individually, a “Lender” and, collectively, the “Lenders”). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

Without limiting either of the Administrative Agent’s or the FILO Documentation Agent’s ability, each in their Permitted Discretion, to establish and modify Availability Reserves from time to time as provided under the definitions of “Availability Reserves”, “Borrowing Base” and “FILO Borrowing Base” as set forth in the Credit Agreement, the Administrative Agent hereby notifies the Borrower that the Administrative Agent has determined, in its Permitted Discretion, that it is necessary to establish and maintain an Availability Reserve on an interim basis pending receipt of an updated appraisal from Hilco, as third-party appraiser, in an initial amount equal to \$50,000,000 (the “Net Recovery Decline Reserve”), in order to reflect a decline in the Net Recovery Percentage of the Inventory, as determined by Hilco. The amount of the Net Recovery Decline Reserve may be increased or decreased upon receipt of additional information by the Administrative Agent from Hilco or upon receipt by the Administrative Agent of updated Borrowing Base Certificates reflecting changes in the amount of Eligible Inventory to which the Net Recovery Percentage is applied under the Borrowing Base. The Net Recovery Decline Reserve shall be released upon receipt by the Administrative Agent of an updated appraisal that includes an updated Net Recovery Percentage to be applied to Eligible Inventory in the calculation of the Borrowing Base, which updated calculation shall replace the Net Recovery Decline Reserve.

In accordance with the terms of the Credit Agreement, the foregoing Availability Reserve shall become effective three (3) Business Days after delivery of this written notice, which for the

avoidance of doubt, shall be Friday, December 20, 2024. During such three (3) Business Day period, the Administrative Agent shall be available, if requested, to discuss the foregoing Availability Reserve with the Borrower; provided that during such three (3) Business Day period, Credit Extensions made under the Credit Agreement shall be subject to the Borrowing Base as if such Availability Reserve was given effect.

The Administrative Agent further notifies the Borrower that the establishment of the foregoing Availability Reserve shall not limit, restrict or impair the discretionary rights and ability of the Administrative Agent or the FILO Documentation Agent to establish any and all other Availability Reserves, or of the Administrative Agent to modify the foregoing Availability Reserve, in each case, as either may from time to time determine to be necessary in their Permitted Discretion, respectively, and otherwise in accordance with the terms of the Credit Agreement.

Nothing contained herein shall establish a custom or course of dealing or conduct among the Administrative Agent, the FILO Documentation Agent and any Lender, on the one hand, and the Borrower or any other Loan Party, on the other hand.

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Very truly yours,

BANK OF AMERICA, N.A.,
as Administrative Agent

By: 
Name: Scott Klebanoff
Title: Senior Vice President

cc: 1903P Loan Agent, LLC (attn: Kyle Shonak)

[Signature Page to Reserves Notice]